



# Reorganization Instructions and Procedures



Changes in the state government organizational structure may be necessary to achieve greater economy, efficiency, and improved administration. These changes can include the establishment, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities and records from one organizational unit or administrative body to another. A request for these changes must be submitted through an official process by way of a reorganization packet.

The legal framework for reorganizations is found in [KRS 12.027 and 12.028](#).

These instructions include changes in the reorganization process required as a result of the implementation of the KHRIS system. One primary change is that eMARS chart of accounts changes must precede most of the changes made in the KHRIS system, and the extent of the time needed to make those changes will affect the proposed effective date. Another important revision is to the KHRIS personnel and the eMARS chart of account worksheets that are required elements of each reorganization packet.

## **PROCESS**

The following section outlines the process for submitting a reorganization action and explains the review process.

An Executive Order is typically required for reorganizations that shift functions, duties and responsibilities across cabinets, departments or appropriation units, or establish or delete organizational units at the division level or above. Any reorganization that requires an Executive Order to be signed by the Governor must first be discussed with the Governor's General Counsel Office prior to submitting a reorganization packet. Please initiate that process by first providing a brief summary of the purpose of the reorganization to the General Counsel Office.

An Administrative Order is required with each Executive Order. An Administrative Order alone is needed when a reorganization only addresses organizational units below the Division level: branches, sections, and units.

1. After an agency receives any required approval from the Governor's General Counsel to proceed with a reorganization, the agency should discuss the scope and complexity of the desired structural changes with the Personnel Cabinet. Upon review of this information and after conferring with the Office of State Budget Director, an anticipated effective date will be provided to the agency.

Agencies should contact Dawn Moreland, Manager, Classification and Compensation at (502) 564-3862 or e-mail [Dawn.Moreland@ky.gov](mailto:Dawn.Moreland@ky.gov).

2. The reorganization packet must be submitted to the Office of the State Budget Director (OSBD) Room 284, Capitol Annex, Attention: Larissa Watson email electronic copies to [Larissa.Watson@ky.gov](mailto:Larissa.Watson@ky.gov), (502) 564-7300. OSBD will forward the packet to the Personnel Cabinet for a simultaneous review of the documents.
3. OSBD will work with the agency on the Reorganization Plan and all budget, fiscal, and eMARS-related issues. The Personnel Cabinet will work with the agency on all personnel and KHRIS-related issues. The Office of State Budget Director will communicate with the submitting agency about any issues with the Order(s).
4. Once the review and approval process is complete, OSBD will forward approval letters from both OSBD and the Personnel Cabinet to the initiating agency notifying the agency that the review by OSBD and the Personnel Cabinet is

complete. For reorganizations that only comprise of an Administrative Order, the receipt of this communication enables the agency to fully implement the reorganization on the approved effective date listed in the order.

5. For a reorganization that includes an Executive Order, OSBD will forward a copy of the Executive Order and Reorganization Plan to the Governor's General Counsel. The Governor's General Counsel will prepare the Executive Order for signature, assign the identification number and file the order with the Secretary of State's office.
6. OSBD will forward a complete copy of the final reorganization packet, including a copy of the signed and filed Executive Order, to all affected agencies and to the Personnel Cabinet.

## ***REORGANIZATION PACKET***

The following documents make up a reorganization packet and are necessary to change the organizational structure of an agency:

1. **Cover Letter:** addressed to the Office of State Budget Director (OSBD) from the cabinet secretary, constitutional (elected) official, or independent agency head, authorizing agency approval of proposed changes.

The letter must include the name of the agency contact person who has detailed knowledge about the request and can make changes throughout the approval process, if necessary.

2. **Checklist of Changes Relating to Reorganization:** provides specific information relating to the reorganization, including the HR agency contact person and contact number. The information provided on this form must agree completely with the effects of the executive and/or administrative orders and the reorganization plan.
3. **Executive and/or Administrative Order:** a reorganization packet may or may not require both an Executive and Administrative Order.
  - a. An **Executive Order** is the directive that affects only the top organizational levels of government, which include cabinets, departments or offices, and divisions. An Executive Order is signed by the Governor or constitutional (elected) officer and is submitted with the reorganization packet unsigned.

Pursuant to KRS 12.028, an Executive Order signed by the Governor or other constitutional officers become statutory law when ratified by the next session of the General Assembly. An Executive Order signed in the interim has only temporary legal effects. For it to remain in effect, it is necessary for the agency to translate the signed Executive Order into a legislative bill for passage at the next regular session of the General Assembly. If the bill is enacted by the General Assembly, the reorganization becomes permanent law on the effective date of the Act. If a reorganization bill is not ratified, the agency is required to revert to the last enacted organizational structure immediately prior to the temporary structure 90 days after adjournment of the General Assembly, unless a revised reorganization packet is submitted and approved. The revised reorganization must have an effective date within 90 days after the adjournment of the regular session of the General Assembly.

- b. An **Administrative Order** is the directive that affects only the lower levels of government, which include branches, sections, and units. A final Administrative Order is signed by the cabinet secretary, constitutional (elected) official or independent agency head. It is initially submitted with the reorganization packet unsigned.

The Administrative Order is numbered by the agency and must carry a numerical designation by calendar year for identification. For example, the first Administrative Order for an agency in calendar year 2015 should be titled "Administrative Order 2015-01", the next order in the same cabinet would be 02, 03, etc...

4. **Reorganization Plan:** is a detailed description of all changes to the organization specific to the reorganization, which must include:
  - a) A clear explanation of each proposed change, including the need for the change. This is the most important part of the Reorganization Plan. It should provide simple, clear reasons for the reorganization.  
If the reorganization is in part due to a federal program change, a change in law, or any other legal basis, related that legal authority should be referenced and attached.
  - b) Budget and Fiscal Impact- specification of the effects of the reorganization on the budget of each affected organizational unit or administrative body. It must include an estimate of any reduction or increase in expenditures expected to result from the reorganization.
  - c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations expected to result from the reorganization.
  - d) Personnel Impact- an explanation of the impact the reorganization has relating to the personnel of each affected organizational unit, including but not limited to the number of employees that will be transferred and/or subject to placement or layoff, new positions and reclassifications.
5. **Current Organizational Chart:** illustrating the organizational structure by name as it exists in the Personnel Cabinet system, prior to the reorganization, the organizational structure number. Employee names and titles should not be shown on the chart.
6. **Proposed Organizational Chart:** illustrating the organizational structure by name, after the reorganization, and the organizational structure number. Employee names and titles should not be shown on the chart.
7. **Current Operating Organizational Chart:** (for resubmission of non-ratified reorganizations only): illustrating the most recent ratified organizational structure by name as it existed in the Personnel Cabinet system, prior to the non-ratified reorganization(s), and the organizational structure number. Employee names and titles should not be shown on the chart.
8. **Personnel Cabinet Documents:** When planning a reorganization that may require the establishment of a new structure and/or the movement of employees, the agency HR reorganization contact should contact the Personnel Cabinet to discuss agency plans. The scope and complexity of the personnel impacts will be discussed, which will also determine the effective date of the reorganization. However, advice/assistance provided at these meetings CANNOT be considered as formal approval. Agencies should contact Dawn Moreland, Manager, Classification & Compensation, at (502) 564-3862 or email [Dawn.Moreland@Ky.gov](mailto:Dawn.Moreland@Ky.gov) to schedule a meeting.
  - a. **Structural Establishment Worksheet:** lists any proposed organizational structure being established by the reorganization and the new organizational number being assigned.

All new organizational structure numbers must be obtained from the Personnel Cabinet's Division of Employee Management at (502) 564-6464.

If the new structure is a cabinet or department (or an office at the department level), the New Structural Agency form (defined below) must be completed and included in the reorganization packet.

- b. **New Structural Agency Worksheet:** must be provided if a new cabinet or department (or an office at the department level) is being established. [Only applies to organizations being established where a new 5 digit organizational number must be created.] This form provides the new establishment's title, 5 digit organizational number, and address.
- c. **Structural Abolishment Worksheet:** lists the current name, organizational structure number and number of positions affected in each entity being abolished by the reorganization.
- d. **Structural ReName Worksheet:** lists the name, and organizational structure number as it currently exists in the personnel system and the new name as proposed in the reorganization.
- e. **Position From-To Worksheet:** lists the current and proposed information for each position affected by the reorganization (including vacant positions).

Current Information Includes: Organization number, organization title, reports to information, position number, employee name and position title.

Proposed Information Includes: reports to organization number, reports to organization title, reports to supervisor position number, function group, cost center, order number and WBS element.

NOTE: Although the Position From-To Worksheet requests information pertaining to function group, function group creation and deletions are controlled by OSBD and LRC, not the Personnel Cabinet. Please consult with your agency budget office for any questions relating to or to obtain the function group information necessary to complete the form.

- f. **Personnel Cabinet Systems Request Form:** if applicable, must be completed for each position affected by the reorganization which has a security role assignment to any structure affected by the reorganization.
9. **eMARS Chart of Accounts Data:** there are multiple worksheets to provide: 1) appropriation, allotment, and function codes, 2) the valid fund-department, 3) the valid fund-department-function, and 4) the eMARS organization structure. Also, there is a spreadsheet version of the SAS-14 form to be used in place of the SAS-14 form when significant account establishments and deletions are needed. If there are no changes, check the box at the bottom of the form.

## ***Personnel Actions Resulting from Reorganizations***

The following principles should be considered when processing personnel actions as a result of any reorganization:

- 1. All personnel actions relating to the organizational structures and/or positions affected by the reorganization must be suspended for a minimum of two weeks prior to the approved effective date. Additional information regarding this directive will be provided by the Personnel Cabinet.

2. If reorganization results in the abolishment or combining of one or more entities, all positions in those organizational entities must be addressed in the reorganization plan. This can be accomplished by:
  - moving the positions to a new organizational entity indicated in the reorganization order;
  - moving the positions to a different organizational entity indicated in the reorganization order; or,
  - reclassification, transfer, or layoff.
3. Employees who are in positions that are given a position number change due to reorganization will be moved in their current classification with their current position description on the effective date of the reorganization. No position will be reclassified to a different classification on the effective date of the reorganization.
4. If there is a permanent and material change in the duties and responsibilities of the position after the position is moved, the agency should redefine the position and submit the reclassification with a position description form to the Personnel Cabinet for approval to reclassify the position based on the new duties and responsibilities. (This will also require a new performance plan be developed, by the supervisor, within thirty days of the effective date of the reclassification.)

The reclassification action must occur within two pay periods after the effective date of the reorganization. Additionally, you must indicate that the position will be reclassified as a result of the reorganization on the Position From-To Worksheet.

If an agency is unable to meet this timeline, an exemption request must be submitted for review and approval prior to the effective date of the reorganization to the Director, Division of Employee Management, Personnel Cabinet explaining the need for the exemption and the estimated amount of time it will take to comply with this requirement.

5. If the reorganization results in any work county changes (involuntary transfers), please see the example letter and checklist in the Disciplinary Actions Guide: Checklist and Example Letters located on our website at <http://personnel.ky.gov/> under HR Administrators/Personnel Information. Please keep in mind; if the reorganization results in work county changes, this may affect the effective date of the reorganization, as you must provide timely notice to the employee as required in 101 KAR 1:335 Section 4.
6. If the reorganization results in a potential displacement of employees, please contact the Personnel Cabinet, Office of Legal Services, at (502) 564-7430 and the Commissioner of the Department of Human Resources Administration at (502) 564-7571 prior to the official submission of the reorganization packet.